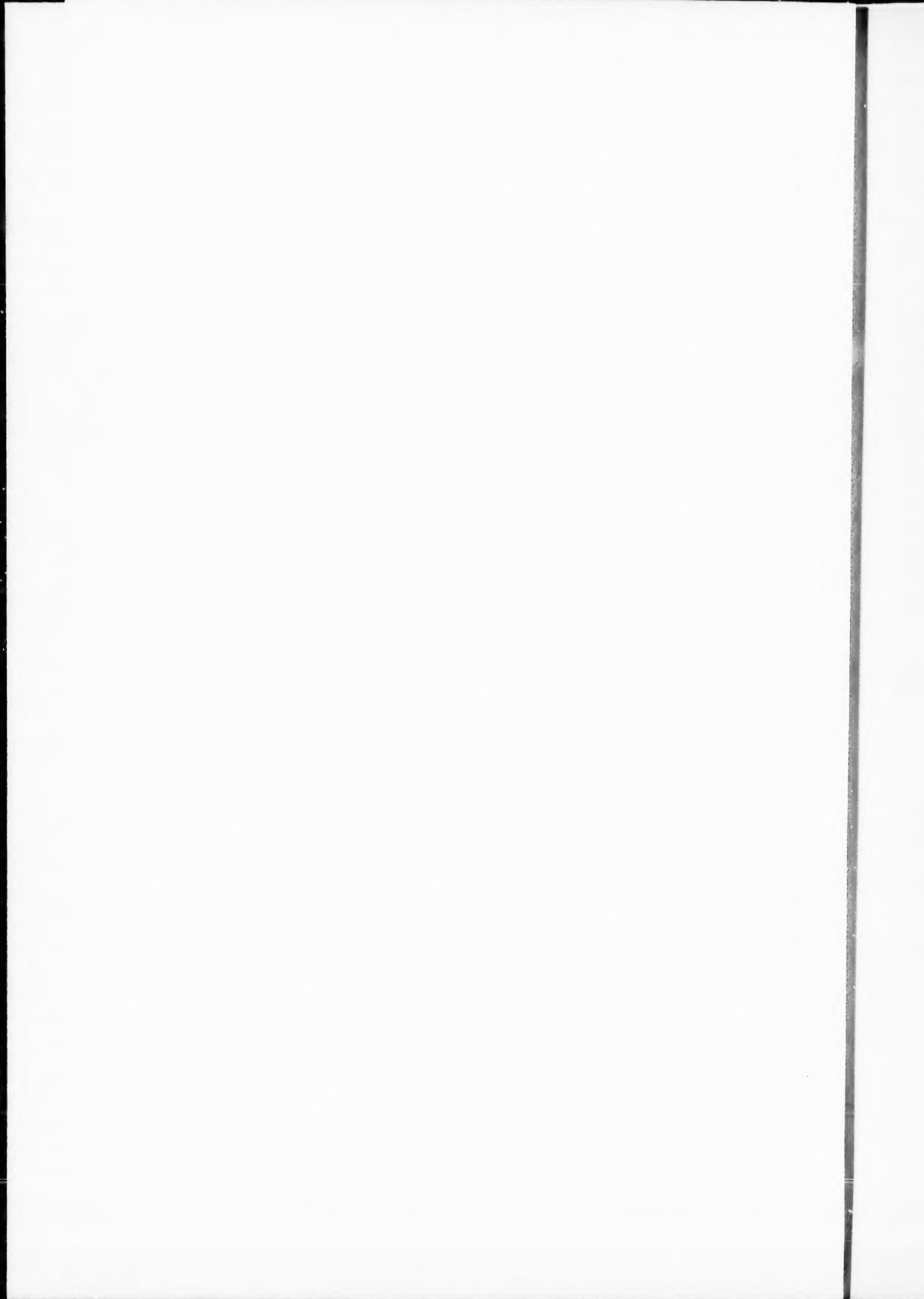




TO THE MEMBERS OF THE HOUSE OF ASSEMBLY.

GENTLEMEN :

As nothing is more difficult than to understand and compare Financial Statements, thrown across the House, and as some persons outside are trying to mystify us all by sending strings of figures into it, I think it but fair to you to condense, into a small compass, the calculations which bear on the question now before us.

The Road from St. John to our frontier, which Mr. Jackson has contracted for, runs over a country more favorable than we can hope to find for our Trunk Line. There are no Cobequid Mountains to cross, and the section nearest to St. John is not so difficult as that between Halifax and the Shubenacadie. For making this Road Mr. Jackson is to have £6,500 Sterling per mile. If iron rises above £6 10 per ton, (and it has risen already to £10,) he is to charge an increased price in proportion to the rise. As iron is not only wanted for rails, but for all the implements used in construction, and for the plant and rolling stock to run upon them, it forms a serious item. I set down the cost, then of Mr. Jackson's Road through New Brunswick at £7000 Sterling per mile. If there could be any doubt upon this subject, the Cobequid Mountains, and the granite section near Halifax, may fairly be thrown in, to prove that Mr. Jackson will not make our Trunk Line for less than £7000.

Upon this basis I start, and assume that it will cost £910,000.

No matter whether the money is raised on Provincial Bonds, Company's Bonds, Stock Certificates, or in any other manner.—£910,000 worth of Paper will be set afloat in the London Market with the name of Nova Scotia to it, and the interest upon which the traffic over this single Road will have to pay. When this is done we shall still have 200 miles of Branch Roads to make to get to Pictou and Victoria Beach. If these are not made, nearly all our own Country is left without accommodation, (for the Trunk Line only crosses the Province while the Branches run through it) and our Gulf Trade, including that of Prince Edward Island, and the Trade of our Western Counties, goes to Shediac and St. John. How are these Roads to be made? It is said that Mr. Jackson will make Branch Roads at a lower price than the Trunk. But the Branch Roads to Shediac and Miramichi, for which he has contracted, are to cost the same price as the Trunk in New Brunswick, one running over a dead level, and the other over a most favorable Country. Our Branch Roads, then, if made by Mr. Jackson, will cost no less than those in New Brunswick. We shall want, therefore, to complete our system, 200 miles—£1,440,000.

The 320 miles, which we all want, would cost us, at these rates, £2,240,000 Sterling, or £2,800,000 Currency, of which, I have no hesitation in saying, from the best information I have been able to gather, after studying the subject for two years, £800,000 Sterling, or £1,000,000 Currency, over and above the fair cost of good Roads, and a fair profit to Contractors, would be made out of this Country, if the Roads paid;—out of those who bought the paper in England, if they did not. You may submit to such an enormous sacrifice as this, but I never will. I will resist it while I have a voice to raise, or a hand to do my bidding.

It is obvious, then, that we cannot complete our system at Mr. Jackson's prices, or have Branches at all, unless we combine the whole, and deal with persons whose ideas are somewhat more moderate. Messrs. Sykes, King, and Brookfield offer to make the whole 320 miles for £1,440,000, or £530,000 more than Mr. Jackson, taking his New Brunswick Contracts for a guide, will require for the Trunk Line.

But we were told by Mr. Johnston the other evening, that Mr. Jackson, or somebody else, could build our Branch Lines at £4,000. To work a system of Railways in our country, or in any country, to advantage, the gauge, the superstructure, and the weight of rail, should be the same. The same carriages and engines can then be run over all the Lines. To tell us that lighter rails and rolling stock will answer to bring barrels of Apples from Annapolis, and Coals from Pictou, than what are required to bring barrels of Flour and passengers from Canada, is to draw largely upon our credulity; and if our system is to consist of one good Line, and two poor ones, the heavy rolling stock of the Trunk Line will crush the Branches, or every thing passing from the centre of the Province to the extremities, and vice versa, must be shifted at the central station. A costly Trunk and cheap Branches would cripple our whole system—and if Mr. Jackson, or any body else, owned the Trunk, and we the Branches, matters would still be worse than if the whole were public property. The Trunk Line might pay but the Branches never could.

But, assuming that I am wrong, and that the Branches could be built for £4000 per mile, let us count the cost: 200 miles, at that price, will require to construct them £800,000 stg., or £1,000,000 currency. Add this to the cost of

Mr. Jackson's Trunk Line,	-	-	-	£910,000 stg. or £1,137,500 cy.
Mr. Johnston's Branches,	-	-	-	800,000 " or 1,000,000 "

£1,710,000	£2,137,000
------------	------------

The whole of this money, it will be borne in mind, must come from England, because however much we may borrow abroad, or whatever Paper we may issue in London, we must not, we have been told by Mr. Johnston, borrow any thing, or issue any Paper, at home, for fear of ruining those who trust us. Now does any man believe that Mr. Jackson and Mr. Johnston together, can float in England £1,710,000 Bonds and Debentures, only one half of which are to be guaranteed by the Provincial

Government! The idea is preposterous. Make the Trunk Line at the enormous cost proposed, and but few of us will have seats on the red benches when the Branches are commenced. Mr. Jackson well knows, if Mr. Johnston does not, that when he has his £910,000 aloft, there will not be much room for the other £800,000. He is content to leave the task, of making the Branches and floating the Scrip to "native Contractors."

It is clear, then, that if the Trunk Line is to be made at Mr. Jackson's prices, the Branch Lines cannot be attempted for many years to come. The Members representing Counties East and West should understand this, as the country will see it at a glance.

But, putting aside the Branch Lines, and fixing our attention only on the Trunk Line, let us contrast the two propositions:

If Mr. Jackson makes it, it will cost	£910,000
If Messrs. Sykes and Co.	676,000

Difference, £234,000

It is apparent, then, that about one fourth less capital will be required to construct the Trunk Line, alone, if we accept their offer, than if the Road is made by Mr. Jackson. It may be said that it matters not how much it costs, because the money will come from England. But where will the interest go to? Back to England. Those who use the Road must pay for it. The tolls must meet the interest. And who will pay the tolls? Novascotians, to the end of time. Is it not palpable, then, that we must pay about £14,000 a year more than we need pay if Mr. Jackson makes the Road? Is a sum equal to half our ordinary Road Vote so trifling an amount that we should not save it if we can? £14,000, at compound interest, will amount in 20 years to £44,800 17s. 7½d.

But we are told that the liability of the Province will be less in the one case than in the other. Let us dissipate this fallacy.

130 miles of Road, if we pay Mr. Jackson half the cost, will require	£455,000
If we pay Messrs. Sykes ⅔ of their estimate,	450,667

To the latter we should have less to pay by In the one case we should own two-thirds of the Road in perpetuity. In the other we should own only a mortgage equal to half the cost. In the one case we should have a chance of profit, commensurate to the risk we run. In the other, all the profit over six per cent. goes to Mr. Jackson. I pass over the apparent advantage held out to us of a first mortgage, because I do not believe that either Mr. Jackson or Messrs. Sykes & Co. would embark in the enterprise if it would not pay six per cent. Acute people seldom take second mortgages except when the property is worth the money.

Let me invite your attention to another simple contrast. Mr. Johnston would give Mr. Jackson £455,000 of Provincial Bonds at par, to be negotiated abroad. We propose to borrow £160,000 *stg.* at home, the interest on which would either be saved, or kept in Nova-Scotia. To build the Trunk Line alone, therefore, we should require to negotiate in England but £270,667 sterling, on which, if we obtained a premium of but ten per cent. after paying expenses, we should effect a saving of £27,000.

Now let us contrast the interest to be paid by the two operations. Mr. Johnston asks us to pay Mr. Jackson £455,000 in Bonds at par, bearing interest at six per cent. equal to £27,300 sterling, or £34,125 currency.

The Government propose to pay Messrs. Sykes & Co. £450,667 Currency, with Cash raised in England, less the premium, equal to £243,667 bearing interest at 6 per cent. equal to

With £80,000 <i>Stg.</i> borrowed by the Savings Bank at 4 per cent—	£14,620 <i>Stg.</i> or £18,275 <i>Cur'y.</i>
bearing an interest of	£2,400 <i>Stg.</i> or £4,000 <i>Cur'y.</i>
With £80,000 of Province Paper, bearing no interest, or assuming 1-3 of the amount in specie is retained to meet it, costing	£1600 <i>Stg.</i> or £2000 <i>Cur'y.</i>
	£18,620 £24,275.

By accepting Mr. Jackson's proposition, then, and taking Mr. Johnston's advice, we shall saddle the Province, for constructing the Trunk Line alone, with the payment of an annual interest of £27,300 Sterling, or £34,125 Currency. By passing the Bills introduced by me, and employing Messrs. Sykes, you will only have to pay £18,620 Sterling, or £24,275 Currency, saving nearly £10,000 Currency, a sum equal to the entire annual appropriation for the Great Roads of the Province.

As Mr. Johnston complained, that in my answer to his speech, I did not meet his financial statements fairly, I have thought that before he spoke again, this summary of my view of the question was due alike to him and to you.

I have the honor to be, Gentlemen,

Your Obedient Servant,

JOSEPH HOWE.

February 7, 1853

proposed, and
Mr. Jackson
not be much
s and floating

Branch Lines
East and West

et us contrast

Trunk Line,
at it matters
e interest go
the interest.
hat we must
a sum equal
£14,000,

the other.

£455,000
450,667

£4,333
should own
it, commen-
on. I pass
that either
ix per cent.

Mr. Jackson
60,000 sq.
the Trunk
on which, if
a saving of

to pay Mr.
sterling, or

h raised in

5 Cur'y.

Cur'y.

0 Cur'y.

75.

hall saddle
interest of
employing
ng nearly
if the Pro-

statements
n was due

at.
TOWE.